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äýýý,###ýý#####ý #ýýd#####0##d#####J###F119 Engine Performance-Based
Contracting Input for Acquisition Reform Day

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#####ÿ#ÿÿd#####n###There are five charts in this briefing package from DCMC Pratt-Whitney West Palm Beach. The point of contact if you have any questions is Ms. Dorothy Wegmann (561) 796-2158. At DCMC headquarters, you can contact Mr. Mike Ferraro (703) 767-3352. This package describes the experience and lessons learned of the DCMC office in working the F119 engine contract (engine for the F-22). Summary Performance slide - shows how they now have a performance spec with specific performance requirements. DCMC's Role slide - shows where the DCMC office believes emphasis is needed: risk, systems engineering, and flowdown of requirements. Lessons Learned slide - shows that performance-based contracts put the responsibility on the contractor to perform to the contract requirements. The CAO doesn't ask for special meetings or data. Gets what they need through the IPTs and contractor systems. Lessons Learned II - shows what happens when you try a lot of Acquisition Reform initiatives at the same time. Introduces risk. Engine won't be fully tested before production begins. Specs may be modified based on test results. Currently working on contract remedies and interdependency clauses. Lessons Learned III - shows use of SPI, commercial best practices, and flowdown to subs. Main point I get here is that how you do performance-based contracting is very dependent on the product, contractor, and buying office you are dealing with, as well as the program the product supports. We do our job on a non-interference basis, working through established teaming structures and analyzing the same data the contractor is using to manage the program.

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F119 Prime Item Development Spec (PIDS) * Required detailed configuration parts
trackingNow F119 Prime Item Performance Spec (PIPS) * Engine performance
must meet production Acceptance Test Procedure fuel consumption and thrust
reqmts * Engine hot/cold parts must meet durability reqmts *
Contractor maintains production engine configuration control

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#####ÿ#ÿÿd#####d#####DCMC's roleModify surveillance
plans; emphasize:Risk IdentificationRisk assessment (impact)Validate systems
engineering process for flowdown of performance requirementsé

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#####ÿÿd#####Lessons LearnedContractor has the
responsibility and accountability to meet contract requirementsGet the benefits of
performance-based contracting by letting contractor do their jobCAO gets data and
necessary insight through participation on IPTs and use of contractor dataF

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Lessons Learned (cont'd) Don't attempt,
on the same program: Performance-based contracting Engineering Manufacturing
Development (EMD) and Low Rate Initial Production (LRIP) concurrently, and Fixed
price LRIP On F119 resulted in only a preliminary agreement on production engine
performance due to: Long engine lead time (2 years) State-of-the-art technology
Necessity to start production prior to completing tests

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Development and Low Rate Initial Production contract phases are difficult since we
only have preliminary agreement on production engine performance requirements

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Ä#ÿÿ####ÿÿ####ÿ#ÿÿd#####d#####á###Lessons Learned (cont'd)Develop
Single Process Initiatives and use in new procurementsUse commercial best
practices for acceptance testing of production enginesEnsure flowdown of
performance based contracting to suppliers

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